

June Lake Public Utility District

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California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
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Attn: Trevor Joseph

E-mail: tjoseph@water.ca.gov

Dear Mr. Joseph,

My name is Richard Ciauri; I am the General Manager for the June Lake Public Utility District. Recently we were notified that the Inyo-Mono RWMG was not funded for Prop 84 grant money. The June Lake Public Utility District is a small community with less than 300 fulltime residents and a sewer system that is 40 years old. A large part of our project proposal was to bring our sewer system offline for desperately needed inspections and repairs. Being such a small District we were unable to pay for the entire project without Prop 84 assistance and very optimistic that Prop 84 monies would be awarded to the Inyo-Mono Region. It is unfortunate that our small rural community is competing against the larger Metropolitan Districts and graded on the same DWR scale. We do not staff Grant Writers and the cost of hiring a consultant would be cost prohibitive at nearly \$16,500 for a single District. Listed below are additional comments I think are important points to consider if our proposal is reconsidered for preliminary funding recommendations.

The following points constitute our response, as a Member and/or project proponent of the Inyo-Mono Regional Water Management Group, to DWR's preliminary funding recommendations for Round 1 Prop. 84 Implementation grants:

- By specifying categories for the economic analyses (water supply, water quality, and flood damage reduction), DWR is effectively dictating what types of projects must be included in the proposal, and thereby minimizing the region-specific priorities.
- Even though there was specific emphasis in the Implementation Proposal Solicitation Package on Disadvantaged Communities (DACs) and projects serving those communities, it is not obvious within the scoring criteria how DAC communities and projects are provided more weight.
- The Inyo-Mono region had several other projects from DACs and Tribes queued up for this round; however, many of the project proponents were not able to complete their applications due to lack of resources (monetary, technical, etc.).
- In addition to communities that meet the quantitative definition of DACs, there are numerous small, rural water purveyors within the region that are governed by volunteer Boards and often lack the resources to prepare competitive project applications.

- In general, the explanations in the evaluation of the Inyo-Mono proposal are vague and not specific enough to allow proper response by the project proponents and Program Office.
- According to a survey conducted by the IRWM Roundtable of Regions (RoR) in early 2011, among the 27 IRWM regions that responded, the *average* cost to prepare a full Implementation proposal for Round 1 Prop. 84 Implementation was \$115,053. The *average* cost for each project proposal application was \$16,500. For a rural and largely disadvantaged region like the Inyo-Mono, these costs are simply too high. However there are other Regions within the same funding region that do have such resources and therefore, we are at a continual competitive disadvantage. And, while we are striving to build internal capacity, doing so will take many years. Meanwhile, we have schools without potable drinking water, communities with a single source of potable drinking water, and other dire needs.
- In general, it seems that the IRWM regions that were able to spend more money on their Implementation applications received higher overall scores.
- Of those regions that responded to the RoR survey and also applied for Round 1 Prop. 84 Implementation funding (20 regions), *eighteen* regions employed consultants to prepare their Implementation applications (and two did not, including Inyo-Mono). For many regions, this included hiring a professional consultant to assist with the economic analysis.
- In the Inyo-Mono region, individual project proponents prepared their own project applications, including the economic analysis, and IRWM Program Staff coordinated the individual applications and assembled the overall proposal. Once again, the region was at a competitive disadvantage relative to other regions within the Lahontan Funding area.
- Again, according to the RoR survey, an average of 63% of the cost of preparing the proposal was used for consultants. Twenty-eight percent of the cost was used for staff time, and 51% was in-kind project proponent time.
- It is not the intention of the Inyo-Mono RWMG to begin employing consultants to assist with preparing applications but rather to build capacity within the region, both among project proponents (including DACs, Tribes, and small rural water purveyors) and within the Program Office, to prepare competitive, high-quality applications.

Thank you for providing the opportunity to submit public comments in response to the initial funding recommendations. We certainly hope that a reconsideration of the preliminary funding recommendations would include the Inyo-Mono region's request for Round 1 project implementation funding.

Sincerely,

Richard Ciauri

General Manager